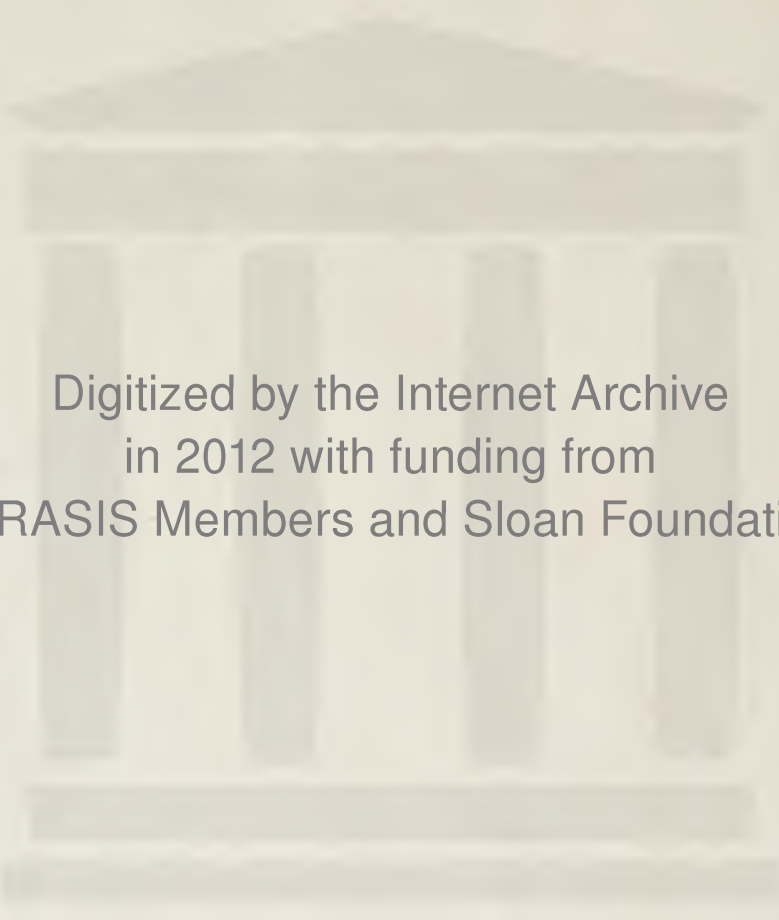


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INCENTIVE WAGE SYSTEMS

*A Selected
Annotated Bibliography*

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N O T E

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September 6, 1956

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I. GENERAL

Balderston, C. Canby. *Group incentives; some variations in the use of group bonus and gang piecework*. Philadelphia. University of Pennsylvania Press. 1930. 171 pp. Out of print.

A study of the problems arising in connection with the installation and operation of group incentive plans. Methods and policies adopted by various companies are analyzed and appraised.

Barkin, Solomon. "Management's attitude toward wage incentive systems." *Industrial and Labor Relations Review*, October, 1951. pp. 92-107.

Discusses the recent management trend away from wage incentives. Major reason given is that incentive systems often interfere with introduction of more efficient production techniques.

Belcher, David W. *Wage and salary administration*. New York. Prentice-Hall, Inc. 1955. Chapter 12. "Incentive plans for wage earners." pp. 319-385.

Describes the most commonly used types of incentive plans, discusses the technical requirements and human problems of incentive systems, and also, very briefly, incentives for indirect workers and for salesmen.

Britton, Charles E. *Incentives in industry*. New York. Employee Relations Department, Esso Standard Oil Company. 1953. 91 pp. Proc.

A comprehensive study of incentives with emphasis on financial incentives. Data is drawn both from companies operating incentive plans and from a very extensive survey of the literature in the field. The concluding sections attempt to establish guide posts for the successful operation of a wage incentive plan.

Dickinson, Z. Clark. *Compensating industrial effort; a scientific study of work and wages*. New York. Ronald Press Company. 1937. 479 pp. Out of print.

A comprehensive discussion of wage payment systems with emphasis on compensation through financial incentives.

Hunt, Norman C. *Methods of wage payment in British industry*. London. Sir Isaac Pitman & Sons. Ltd. 1951. 160 pp.

General account of wage incentive systems and related problems. Examples are drawn from British experience.

International Labour Office. Studies and Reports, New Series No. 27. *Payment by results*. Geneva. 1951. 204 pp.

Good general survey of the subject. Particularly valuable because it contains material on use of plans by country and industry. Also includes general discussion of effects of plans on wages, output, quality, and related matters.

Krullee, Gilbert K. "Company-wide incentive systems." *Journal of Business*, January, 1955. pp. 37-47.

--- "The Scanlon plan: co-operation through participation." *Journal of Business*, April, 1955, pp. 100-113.

The first article uses the results of psychological experiments to emphasize the importance of knowledge of results and sense of participation in individual learning and work satisfaction, thus providing a psychological rationale for company-wide incentive schemes, such as the Scanlon plan, under which "meaningful indexes" for evaluating over-all productive efficiency can be devised. The second article outlines the steps involved in introducing the Scanlon plan and discusses its advantages.

Louden, J. K. *Wage incentives*. New York. John Wiley & Sons, Inc. 1944. 174 pp.

A useful and concise summary of wage incentive methods including comparisons of various plans, the relation of incentives to other management techniques, recommended policies for administering a plan, and union participation.

Lytle, Charles W. *Wage incentive methods; their selection, installation and operation*. Revised. New York. Ronald Press Company 1942. 468 pp.

Provides detailed analyses of wage incentive techniques supplemented by a quantity of illustrative material based on practical company experiences.

Markham, Sanford H. "Incentive wages: a management viewpoint." New York University. *Proceedings of second annual conference on labor*. Albany. Matthew Bender & Company, Inc. 1949. pp. 173-187.

Clear expression of management viewpoint that an incentive wage system, based upon proper setting of standards, is a convenient device for assuring that wages will be proportioned to labor's contribution to production. Also attempts to answer objections to wage incentives commonly voiced by union leaders.

Michael, Lionel B. *Wage and salary fundamentals and procedures*. New York. McGraw-Hill Book Company, Inc. 1950. 330 pp. Chapter X. "Fundamentals of direct-payment plans." pp. 177-206.

Contains good general summary of wage incentives. Covers such questions as: (1) conditions necessary for establishment of an incentive scheme, (2) requirements for successful operation of a plan, and (3) relative merits of piece rate and time rate incentive systems.

National Industrial Conference Board, Inc. *Studies in Personnel Policy No. 91. Wage payment systems*. By Herbert S. Briggs. New York. 1948. 36 pp.

This comprehensive survey of wage payment practices in industry reported that piece-work was still the most commonly used type of wage incentive plan. Major kinds of systems are described and illustrated in terms of their comparative effects on unit labor costs. Part III contains a helpful list of 228 sample wage incentive provisions found in collective agreements.

Spiegel, William R. and Richard H. Lansburgh. *Industrial management*. Fifth

edition. New York. John Wiley & Sons, Inc. 1955. Part 5, "Motion and time study"; Part 6, "Wage payments: basic relations of employers and employees."

General discussion of the techniques of time study and wage incentives.

United States Department of Labor, Bureau of Labor Statistics. Bulletin Nos. 1157-1, 1157-2, and 1157-3. *Wages and related benefits, major labor markets, 1953-1954*. Washington. Government Printing Office. 1954. 116, 94, and 138 pp.

These statistical studies of 18 major labor markets include data on the extent of incentive as opposed to straight-time wage practices. The information is given by industry and by type of incentive plan used.

United States War Production Board, Management Consultant Division. *A handbook on wage incentive plans*. Washington. Government Printing Office. 1945. 39 pp.

Wartime experiences and principles regarding the application of wage incentive plans are summarized in this pamphlet.

Watkins, Gordon S., Paul A. Dodd, Wayne L. McNaughton, and Paul Prasow. *The management of personnel and labor relations*. Second edition. New York. McGraw-Hill Book Company, Inc. 1950. 974 pp. Chapter XIX, "Wage administration," pp. 508-533; Chapter XX, "Wage-payment plans," pp. 534-571.

The two chapters present a comprehensive summary of wage incentive techniques.

Wolf, William B. "The Scanlon plan—device to increase profits and productivity." *Pacific Northwest Business*, June, 1956. pp. 18-27.

This examination of the Scanlon plant-wide bonus plan stresses the conditions which are necessary to its success, if adopted.

II. CHOOSING AND INSTALLING A PLAN

A. Selection of a Plan and Preliminary Steps in Installation

Benge, Eugene J. "Incentive wages." *Putting job rating to work*. Personnel Series No. 49. New York. American Management Association. 1941. pp. 17-21. Out of print.

Shows the relation of job evaluation to incentive wage plans. Advances the argument that percentage of bonus under an incentive plan should vary with the relative status of an operation under the job evaluation system.

Clewes, Winston. "Changing an incentive scheme." *The Manager*, March, 1956. pp. 205-208, 230.

The Manager of the Crosse & Blackwell Planning Department describes the technique of revising an outmoded incentive system along lines more satisfactory to both management and employees.

Maynard, Harold B. "Some aspects of non-financial and financial incentives." *Advanced Management*, July-September, 1942, pp. 123-126, 140.

Suggestions regarding effective methods of installation and the use of incentive systems, preceded by a summary of the comparative advantages and disadvantages of various plans.

Mazur, Frank W. "Smoothing out the bumps in an incentive plan." *Mill & Factory*, March, 1949. pp. 131-134.

Discusses the importance of relating various types of incentive plans to the type of production process characteristic of the firm's operations. More than a "casual glance" is required to do this, the author explains, and he suggests which plans fit various production processes.

Metzger, Kurt A. "Incentive plan for learners reduces turnover." *Factory Management and Maintenance*, February, 1948. pp. 86-87.

The author discusses the advantages of a special incentive plan for learners. The experience of one company where learning periods were unusually long was that labor turnover was diminished, output increased, and production-planning improved with such a plan.

Riegel, John W. *Paving the way for an incentive plan*. Pasadena. Industrial Relations Section, California Institute of Technology. 1943. 18 pp.

Discusses the preliminary conditions that should be satisfied before an incentive plan is installed and makes suggestions for solving problems in the installation.

Rogers, H. Barrett. "Which incentive plan is best for you?" *American Machinist*, October 10, 1946. pp. 104-108.

Classifies production work into four categories, depending on operating conditions, and suggests the type of incentive applicable in each case.

Schotters, Frank A. "Incentive plans vs. measured day work." *Production policies for increased output*. Production Series No. 169. New York. American Management Association. 1947. pp. 20-26.

Comparative analysis of the two systems of wage payment with the conclusion that measured day work is preferable because of greater savings in cost and increased emphasis on the human elements of performance.

Yoder, Dale. *Personnel management and industrial relations*. Third edition. New York. Prentice-Hall, Inc. 1948. 894 pp. See especially pp. 358-363, 397-409

Suggests criteria for the selection of a suitable plan for a particular plant or industry, together with a statistical technique for measuring the effectiveness of a plan after its operation. Also contains materials comparing straight time and incentive systems.

B. Setting Production Standards

- Abruzzi, Adam. *Work measurement*; new principles and procedures. New York. Columbia University Press. 1952. 290 pp.
Excellent critical analysis of the controversial aspects of time study methods. Proceeds from the assumption that problems of time study can be solved only through the use of "objective measurement methods", i.e., statistical analysis.
- Barkin, Solomon. "An evaluation of predetermined time standard systems." *Time and Motion Study*, August, 1954. pp. 24-32.
Critical discussion of the standard data system in time study which attempts to establish standard times for basic work elements in all kinds of operations. Barkin reviews recent literature that has posed critical questions regarding the validity of this method.
- "Diversity of time-study practice." *Industrial and Labor Relations Review*, July, 1954, pp. 537-549.
Reviews a number of the difficulties besetting time study practice. Singled out for special attention are rating procedures, standard data and predetermined time standards methods, and fatigue and delay allowances. Embodies material contained in recent articles on these subjects.
- Barnes, Ralph M. "Is the rate of output right?" *Incentives for management and workers*. Production Series No. 161. New York. American Management Association. 1945. pp. 11-18.
Advocates the improvement of performance rating in time study and the establishment of national criteria for determining a "standard day's work."
- Motion and time study*. Third edition. New York. John Wiley & Sons, Inc. 1949. 559 pp.
A basic manual.
- Briggs, Herbert S. "Loose time standards are hidden wage increases." *Conference Board Management Record*, June, 1951. pp. 198-200, 232-234.
Reports the views of a score of chief industrial engineers of large companies on the proper technique for adjusting loose standards under wage incentive schemes.
- Cohen, Leonard and Leonard Strauss. "Time study and the fundamental nature of manual skill." *Journal of Consulting Psychology*, May-June, 1946. pp. 146-153.
This valuable study indicates that allowance for skill and effort in time study, known as the "leveling method," does not make for the establishment of objective standards. Authors attribute this failure to the time study man's present inability to provide a numerical allowance for variations in sub-motions of operators in the performance of a given task where a common general method of work is being employed.

Dunn, Carl T. "Is the incentive correct?" *Incentives for management and workers*. Production Series No. 161. New York. American Management Association. 1945. pp. 19-28.

Discusses methods for setting production standards and underlines the need for top management understanding of the functions and limitations of incentive principles in order that they may be applied equitably.

Ganong, Warren L. "Integrating time study with wage incentive systems." *Personnel*, July, 1946. pp. 24-32.

A critical analysis of the process of setting production standards on the basis of time study data. Discusses two "judgment factors" in time study: (1) rating the performance of the operator to express deviation from "normal" performance and (2) the use of personal and fatigue allowances. The author indicates that the three key points in an incentive plan that are most likely to disrupt the plan's operation are the basic hourly rate of pay, the standard rate of productivity, and the expected level of productivity.

Gomberg, William. *A trade union analysis of time study*. Second edition. New York. Prentice-Hall, Inc. 1955. 318 pp.

A critical evaluation of time study as a scientific tool and of current time study practices from which the author concludes that time-studied production standards are useful guides for establishing a range within which collective bargaining may take place.

Louden, J. K. "Management's search for precision in measuring a fair day's work." *Advanced Management*, January-March, 1942. pp. 27-31.

A leading authority on time study discusses methods for eliminating the subjective elements in the setting of standards. Group rating is strongly recommended as one possible technique for achieving this end.

Lowry, Stewart M., Harold B. Maynard, and G. J. Stegemerten. *Time and motion study and formulas for wage incentives*. Third edition. New York. McGraw-Hill Book Company, Inc. 1940. 432 pp.

A standard handbook on the principles and methods of making time and motion studies and the construction of formulas for standard time allowances.

Lynch, Herbert A., Jr. "Ratings of time studies—a progress report." *Modern Management*, July, 1949. pp. 16-19.

Reports results, as of date of the article, of the Society for Advancement of Management's Rating of Time Studies Project. The project was established in order to set national time study standards through the use of motion picture films of selected basic operations.

Mundel, M. E. "Time study research, part I — rating"; "Time study research, part II — rating"; "Time study research, part III — secondary adjustments." *Advanced Management*, June, August, and September, 1950. pp. 13-16, 30-33, and 19-22.

The author outlines a very careful method for assuring objectivity by time study men in the measurement of the standard rate of work. His method is based upon the use of a standard film in conjunction with "step films" which show step-by-step deviations from the standard pace.

Presgrave, Ralph. *The dynamics of time study*. Second edition. New York. McGraw-Hill Book Company, Inc. 1945. 238 pp.

A critical appraisal of time study techniques with the primary purpose of helping those engaged in these practices "to assess their present methods, to modify them out of reason rather than experience, and so to use them with greater confidence." Points to the fact that time study has been more concerned with appearing scientific than with being scientific, and that there is danger in confusing the technique with a philosophy.

Ryan, T. A. "Fatigue and effort in relation to standards of performance and systems of payment." *International Labour Review*, January, 1952. pp. 44-63.

Contains some provocative criticisms of the presumed validity of standard-fixing techniques. Criticisms are centered around the lack of objective criteria in time study.

III. OPERATING AN INCENTIVE SYSTEM

A. General Experience

American Machinist, January 3, 1946. "Wage incentives; what they are, how they work, why they are effective." pp. 97-108.

Compiles information regarding incentive plans and presents a brief summary of experiences of ten metal-working companies.

American Management Association. Manufacturing Series No. 203. *Motivating the employee on today's production front*. New York. 1952. "Organization and control of the incentive function; a round table." pp. 20-40.

These statements by representatives of a number of companies with incentive wage experience cover a wide range of problems involved in the application of incentive wage plans. General reaction toward the use of such plans is favorable.

Barnes, Ralph M. *Industrial engineering survey*. Industrial Engineering Report No. 100. Iowa City. College of Engineering, University of Iowa. 1946. 47 pp. Proc.

Tabulates the results of a questionnaire survey covering 80 companies. The survey reports on company practice and policies with respect to the organization of the industrial engineering department, the determination of production standards, and the use of wage incentive plans.

Davenport, Russell W. "Enterprise for everyman." *Fortune*, January, 1950. pp. 55-59, 152, 157-159.

Discusses the operation of the Scanlon Plan at the Lapointe Machine Tool Company. The plan is based on the establishment of a "normal" ratio between wages and production value. Whenever the actual ratio drops below the "normal" one, the surplus is distributed as a bonus among the workers.

Eargle, W. E. "The effect of incentives on costs." *Industrial engineering for better production*. Production Series No. 153. New York. American Management Association. 1944. pp. 14-19.

Gives examples of cost reduction through the use of industrial engineering methods in the Westinghouse Electric Manufacturing Company.

Factory Management and Maintenance, May, 1955. "Is your incentive plan headed for success — or failure?" pp. 128-130.

Reports highlights of a survey of 100 companies made by the Methods Engineering Council of Pittsburgh. The data are tabulated so as to point up the differences between companies which are satisfied with their incentive plans and those which are not.

International Labour Review, January, 1951. "Payment by results in the building industry." pp. 64-78.

Describes incentive wage schemes used in construction industries of various European countries. Also contains valuable information on gains in efficiency attained with incentives in the United Kingdom where this question has been followed up more thoroughly than elsewhere.

Kangan, M. "Factory-wide group incentive schemes." *Bulletin of Industrial Psychology and Personnel Practice*, March, 1952. pp. 14-20.

Reviews the experiences of 27 Australian firms with group wage incentives. Discusses pros and cons of this type of wage incentive.

Kingsland, Keith W. "Piece-work — and the restriction of output." *Modern Management*, April, 1949. pp. 9-11.

The author submits that piece-work systems cannot achieve their objectives of reducing labor costs and increasing opportunities for greater take-home pay. Instead, methods improvements are frozen and industrial relations become unsatisfactory.

Lincoln, James F. *Lincoln's incentive system*. New York. McGraw-Hill Book Company, Inc. 1946. 192 pp.

Describes the satisfactory experience of the Lincoln Electric Company with the use of various incentive systems. The author advocates the extension of incentives not merely as a device for expanding production, but rather as "a mode of working together in a cooperative effort wherein much greater satisfaction and a much fuller life have been achieved for all concerned."

Miccio, Joseph C. "Wage incentives can improve quality!" *Management Review*, February, 1950. pp. 76-78. [Taken from *NACA Bulletin*, July, 1949, Section I, p. 1243:11]

Discussion of procedures to be followed if quality is to be maintained under a wage incentive scheme.

Monthly Labor Review, May, 1943. "Effect of incentive payments on hourly earnings." pp. 849-857.

Analysis of the comparative earnings of time and incentive workers in three industries. Shows that earnings under incentive systems averaged from 12.1 per cent to 18.2 per cent above straight hourly earnings for similar work.

National Industrial Conference Board, Inc. Studies in Personnel Policy No. 19. *Some problems in wage incentive administration*. New York. 1940. 23 pp.

Based on a survey of 313 companies, an analysis is made of the techniques used and the various problems that were experienced in the operation of incentive payment plans.

---Studies in Personnel Policy No. 68 *Wage incentive practices*. 1945. 44 pp.

Outlines in detail wage incentive practices and policies in ten companies and summarizes current practices in 25 companies.

Payne, Bruce. "Incentives that work." *Proceedings annual fall conference on principles, methods and techniques for increasing productivity and improving human relations*. New York. Society for Advancement of Management. 1951. pp. 23-28.

Reports on wage incentive plans of 316 companies. "During the last 15 years...78 per cent of the wage incentive plans had failed or had developed major weaknesses." Chief reasons given include: (1) failure of companies to keep production workers on incentive adequate length of time, (2) inadequate understanding of plan among workers and supervisors, and (3) failure to adjust standards to increases in productivity due to technological change.

Pohlman, John H. "A plantwide incentive plan on top of an individual incentive." *Factory Management and Maintenance*, January, 1955. pp. 114-117.

Discusses the operation at Pohlman Foundry, Buffalo, New York, of the Rucker Share of Production Plan, which gears wages to output by use of a special formula.

Roy, Robert H. "Do wage incentives reduce costs?" *Industrial and Labor Relations Review*, January, 1952. pp. 195-208.

Good summary of the difficulties that occur under wage incentive schemes with examples from industry experience. Among the points stressed are pressure for "loosening" of standards, cost of administering an incentive plan, and increased opposition to technological change.

Smith, P. Siviter. "A new kind of incentive; group schemes were found to be more satisfactory than individual incentives where the quality of work in one department is closely related to others." *The Manager*, June, 1955. pp. 452-456.

Describes the application of the Nunn-Brush type of wage plan to workers in a printing plant.

Taylor, W. W. "New look at methods incentives." *Factory Management and Maintenance*, August, 1955. pp. 90-93.

The author argues that methods, not speed, limit productivity. He urges the substitution of methods incentives for production incentives through the introduction of a high-reward suggestion system.

Wrapp, H. Edward. "Standards deterioration under wage incentives." *Journal of Business*, January, 1953. pp. 9-14.

Discusses factors in "loosening" of standards since World War II. Partial responsibility is attributed to management which "loosened" standards voluntarily during war as means of circumventing the wage freeze. An additional factor named is the constant demand for innovation in the production of military items.

B. Non-financial Factors in Operation

Brown, W. B. O. "Incentives within the factory." *Occupational Psychology*, April, 1945. pp. 82-92.

The manager of a British Manufacturing company contends that the value of financial incentives has been grossly over-rated and sets forth a plan for shifting the emphasis to social incentives that "effectively operate in the home, village, or club." He concludes that, if this shift is accomplished, "Then work itself may someday become something to look forward to as an activity to be enjoyed instead of, as now, something to be got through as a prelude to the enjoyment of leisure hours."

Campbell, H. "Group incentive payment schemes: the effects of lack of understanding and of group size." *Occupational Psychology*, January, 1952. pp. 15-21.

This statistical study of workers' attitudes under incentives makes the point that job satisfaction varies directly with knowledge of the operative principles governing an incentive system and inversely with the size of the work group.

Coulter, "Techniques or men?" *Personnel Management*, December, 1954. pp. 237-245.

Reviews the demoralizing effects of wage incentive schemes primarily from the viewpoint of their anti-humanistic tendencies.

Dalton, Melville, "Economic incentives and human relations." *Industrial productivity*. Publication No. 7. Champaign, Illinois. Industrial Relations Research Association. 1951. pp. 130-145.

Discusses the frictions that develop between workers, engineers, and foremen under incentive plans. Very tentative solutions for some of these difficulties are suggested.

Davis, Norah. "Some psychological effects on women workers of payment by the individual bonus method." *Occupational Psychology*, April, 1944. pp. 53-62.

Observes the reactions of women workers to incentive systems in two large British factories. The writer notes that wages often have a symbolic as well as an economic value to employees and that individual and group bonus systems tend to be unfavorable to community life in a factory.

Haire, Mason. *Psychology in management*. New York. McGraw-Hill Book Company, Inc. 1956. Chapter 6. "Productivity and wage-payment plans." pp. 125-157.

An examination of psychological aspects of the relation between wage payment and productivity. Emphasizes the importance of non-financial incentives after the pay has reached a certain level and points out the role of participation in modifying productive behavior.

Lynton, R. P. *Incentives and management in British industry*. London. Routledge & Kegan Paul, Ltd. 1949. 212 pp.

Discusses the declining effectiveness of wage incentives as a device for increasing production. This phenomenon is attributed in part to the increase of automation in industry which has rendered output independent of the worker's effort. Suggests that management's only recourse lies in the investigation of non-financial factors, such as interest in work, character of the working environment, and joint consultation with workers.

Mace, C. A. *Incentives; some experimental studies*. Great Britain, Medical Research Council, Industrial Health Research Board. Report No. 72. London. H. M. Stationery Office. 1935. 61 pp.

Laboratory psychological experiments that examine the will to work as opposed to the capacity to work. Concludes, in part, that efficiency depends on standards implicitly or explicitly adopted by the worker, and that an improvement in efficiency usually follows the introduction of specific standards.

Mahoney, Gerald M. "Supervisory practices and work attitudes toward incentives." *Addresses on industrial relations*. Bulletin No. 22. Ann Arbor. Bureau of Industrial Relations, University of Michigan. 1954. 21 pp.

Based on a study made at a mid-western manufacturing company by the Survey Research Center, University of Michigan, which indicates that employee satisfaction with an incentive plan depends on such factors as: (1) the importance of the foreman in the setting of standards, (2) the attitude of workers toward time study men, and (3) the attitude of workers toward company and union officials.

Mathewson, Stanley B. *Restriction of output among unorganized workers*. New York. The Viking Press. 1931. 212 pp. Out of print. Especially Chapter III, "Wage payment and restriction," and Chapter IV, "The time-study man and restriction." pp. 53-85.

Drawing on numerous case studies, this book demonstrates that restriction of output is a social phenomenon that antedates union organization. Chapters III and IV indicate that incentive systems and the use of time studies may, in themselves, be the sources for restriction of output.

Miles, G. H. *The problem of incentives in industry*. London. Sir Isaac Pitman & Sons, Ltd. 1932. 58 pp. Out of print.

Emphasizes psychological factors in the operation of incentive systems for production workers and managerial employees.

Roethlisberger, F. J. and William J. Dickson. *Management and the worker*. Cambridge. Harvard University Press. 1939. 615 pp. Chapter VI. "Testing the effect of wage incentive; the second relay assembly group and the mica splitting test room." pp. 128-160.

A portion of the study of employee attitudes in the Hawthorne Works of the Western Electric Company. Chapter VI concludes that the influence of wage incentives upon output cannot be determined without reference to such sociological factors as "the inter-personal relations at work and the personal situations outside of work."

Uhrbrock, Richard S. *A psychologist looks at wage incentive methods*. Institute of Management Series No. 15. New York. American Management Association. 1935. 32 pp. Out of print.

A critical analysis of the shortcomings of wage incentive methods and time study techniques.

Whyte, William Foote and others. *Money and motivation; an analysis of incentives in industry*. New York. Harper & Brothers. 1955. 268 pp.

Discusses, by the use of case studies, the human relations problems that can be expected to arise when individual wage incentives are applied and some of the methods which have been devised for meeting these problems. The last section of the book uses this case material to develop "a theory of economic incentives and human relations."

IV. INCENTIVES FOR INDIRECT, CLERICAL, AND SUPERVISORY EMPLOYEES

American Management Association. Production Series No. 188. *Incentive plans for direct and indirect workers*. New York. 1950. 24 pp.

Contains material illustrating the application of time study to maintenance operations. Job evaluations of different types of repair work were established on the basis of "standard data for basic work elements — such as dismantle and assemble parts, burn, weld, move equipment, etc."

Bavier, Ralph H. "Improve production with a key-man bonus plan." *Mill & Factory*, May, 1955. pp. 133-135.

Practical advice on setting up an incentive plan for foremen. Advocates payment on the basis of individual performance records plus plant performance records.

Clark, Warren M. "No maintenance incentives for me!" *Factory Management and Maintenance*, May, 1950. pp. 224, 226.

Rather scathing criticism of proponents of wage incentives for maintenance workers by an industrial maintenance man with thirty years' experience. Criticism centers mainly on the problem of setting appropriate standards.

Cyrol, E. A. and W. K. Conway. "Incentives for janitors." *Mill & Factory*, July, 1953. pp. 83-88.

Good description of the application of time study analysis to an incentive wage plan for maintenance workers. Proceeds from the premise that standards can be set for individual maintenance operations.

Druliner, J. M. "Supervisory incentives make foremen managers." *Factory Management and Maintenance*, April, 1945. pp. 104-108.

Explains an incentive plan for supervisors used by Consolidated Vultee Aircraft Corporation.

Guelich, L. M. "Payment of office workers." *Office personnel practices*. Office Management Series No. 79. New York. American Management Association. 1937. pp. 30-35; discussion, pp. 36-40. Out of print.

Outlines the factors that influence the determination of salaries for clerical employees and discusses the installation and operation of an office incentive system.

Lowden, J. A. "Keyman—supervisory incentives." *Advanced Management*, March, 1947. pp. 7-13.

The author is critical of incentive plans for supervisory personnel that make the foreman responsible for factors beyond his control. The interrelationship of the foreman's responsibilities indicates that such incentive plans should be introduced phase by phase.

MacKenzie, R. S. "The relation between work measurement and pay earned." *Incentives and work standards in the office*. Office Management Series No. 115. New York. American Management Association. 1946. pp. 10-14.

Briefly describes the prerequisites of an incentive plan for office employees and concludes that routine office work can, in general, be measured for wage incentive purposes. Outlines plan used by the Atlantic Refining Company.

Mason, T. A. "Applying work study and incentives to indirect workers." *The Manager*, February, 1955. pp. 91-94.

Case history of the application of incentive wages to maintenance workers in a large dyestuffs factory. Among the points emphasized are

the importance of adequate preparation before introducing a scheme, of employing a first-class work study man, and of sticking rigidly to agreements with the union.

O'Brien, John. "Bonus and incentive plans for supervisors." *Management Record*, January, 1956. pp. 2-5, 24-26.

Nearly half of 334 companies surveyed by the National Industrial Conference Board reported having one or more forms of incentive pay for supervisors. The article describes company practices regarding bonus payments to supervisors which are not related to individual performance as well as pay plans which relate compensation to performance.

Parker, J. Henry. "Measurement of office operations." *Creative time study and methods*; the proceedings of the Ninth Annual Time Study and Methods Conference of the Society for Advancement of Management and the American Society of Mechanical Engineers, Management Division. New York. Society for Advancement of Management. 1954. pp. 56-69.

General discussion of the application of wage incentives to clerical operations. The author suggests that individual incentives be applied to repetitive operations and group incentives to operations where the work is varied. He also enumerates the different methods for setting standards that can be used for different kinds of clerical operations.

Peterson, Robert L. "Financial incentives," 36th International Conference proceedings, National Office Management Association, May 22-26, 1955. *Office Executive*, July, 1955. pp. 50-54.

Uses four case examples to illustrate the advantages of using incentive plans for office personnel.

Ramond, Albert. "Incentives for indirect workers." *Personnel*, November, 1943. pp. 154-162.

A discussion of incentive plans for non-production workers with emphasis on the idea that premium payments must provide a reasonably close relationship between performance and pay.

Rice, Robert S. "Apply job standards to measure job-performance." *Factory Management and Maintenance*, January, 1952. pp. 78-81.

Attempts to answer objections commonly raised against application of time study and incentives to maintenance operations.

---"Incentives for supervisors." *Factory Management and Maintenance*, July, 1953. pp. 96-105.

Good introductory discussion of incentive plans for supervisors. Description of the operation of two such plans follows.

Riegel, John W. *Salary determination; common policies and selected practices in 40 American corporations*. Ann Arbor. University of Michigan Press. 1940. Chapter X. "Some incentive plans for salaried workers." pp. 181-192.

Outlines basic requirements for satisfactory incentive plans for clerical workers, sales persons, and supervisors.

Wemple, W. J. "What is the right incentive for supervision?" *Incentives for management and workers*. Production Series No. 161. New York. American Management Association. 1945. pp. 3-10.

Explains the incentive plan, based on controllable expense, for supervisory personnel at R. G. Le Tourneau, Inc.

V. LABOR'S ATTITUDES AND POLICIES

American Management Association. Personnel Series No. 103. *Economic fundamentals of collective bargaining*. New York. 1947. "Pattern of tomorrow's collective bargaining." pp. 31-36.

A panel discussion of incentive wage problems in which George Baldanzi, then with the Textile Workers Union of America, and William Gomberg, of the International Ladies' Garment Workers' Union, participated.

Anyon, G. Jay. *Collective agreements on time and motion study*. Publication No. 111. New York. Management Research and Development Division, Society for Advancement of Management. 1954. 46 pp,

Consists of exhaustive classification of clauses in collective bargaining agreements covering a large number of issues arising under time and motion studies. The author believes that "the analysis covers every type of stipulation on time and motion study that has been recorded in the collective bargaining process since 1946."

Barkin, Solomon. "Labor views the working day." *Advanced Management*, January-March, 1942. pp. 32-37.

States that time and motion study may be used as a valuable adjunct to collective bargaining in determining proper workloads, but that management has abused time-study techniques to the extent that they cannot be used with full confidence. Outlines methods by which time-study data can be made more acceptable and warns that "the use of time-study results for incentive wage systems should be avoided."

---"Labor's attitude toward wage incentive plans." *Industrial and Labor Relations Review*, July, 1948. pp. 553-572.

Outlines ten fundamental reasons for organized labor's dislike of incentive wage systems.

---and William Gomberg, "Organized labor's stake in industrial engineering." *Modern Management*, July, 1946. pp. 50-60.

Representatives of the Textile Workers Union and the International Ladies' Garment Workers' explain their differing attitudes toward time study and wage incentives.

Bureau of National Affairs, Inc. *Collective bargaining negotiations and contracts*. Washington. Bi-weekly loose-leaf service.

Supplements the Bureau of Labor Statistics survey of 1948 with information on wage incentive provisions in current labor agreements

illustrating different aspects of the treatment of wage incentives under collective bargaining.

Cheyfitz, Edward T. "More for less." *Fortune*, December, 1944. pp. 130-131, 213-216.

Mr. Cheyfitz, then with the Mine, Mill, and Smelter Workers, discusses the constructive use of wage incentives and other means to secure industrial efficiency.

Dale, Ernest. "Labor cooperation in work measurement." *Greater productivity through labor-management cooperation*. Research Report No. 14. New York. American Management Association. 1949. pp. 40-48.

This AMA survey reports that the bulk of management and union representatives interviewed were opposed to union-management cooperation in time study. "They [union representatives] prefer the regular grievance procedure for handling complaints about work standards, for this helps 'to maintain the maximum freedom to challenge any standard which the worker deems unfair.' "

Dickinson, Z. Clark. "Incentive problems in regulated capitalism." *American Economic Review*, Supplement, March, 1944. pp. 154-158.

Poses two dilemmas with respect to labor's attitude towards wage incentives: (1) security versus abundance and (2) abundance versus equality. Suggests that difficulties between union and management over methods of wage payment can be solved in time by mutual acceptance of suitable checks and balances.

Frantz, C. G. "The joint development of production standards." *Labor-management cooperation for increased productivity*. Production Series No. 175. New York. American Management Association. 1948. pp. 3-14.

Discusses the use of union time-study personnel in setting production standards. The experience of one plant is related to show that joint determination raised average efficiency from 50 to 200 per cent.

Golden, Clinton S. and Harold J. Ruttenberg. *The dynamics of industrial democracy*. New York. Harper & Brothers. 1942. 358 pp. Chapter VI. "Distribution of earnings." Particularly pp. 174-189.

The authors state that "the greater the participation of workers through their unions in setting piecework and tonnage rates, in making time and motion studies, in determining work standards and job evaluation, the greater are the earnings and output."

Gomberg, William. "Framing a wage incentive clause." *Collective bargaining negotiations and contracts*. Washington. The Bureau of National Affairs, Inc. 1946. pp. 13:151-13:157.

The author, Director of Management Engineering for the International Ladies' Garment Workers', concludes that the best incentive clause is one that merely sets forth the plan's general objectives and establishes the right of the union to participate.

---"Union attitudes on the application of industrial engineering techniques to collective bargaining." *Personnel*, May, 1948. pp. 443-454.

Report of a conference held at the University of Chicago in 1946 for university and union personnel. Provides a compact summary of the varying attitudes of organized labor toward wage incentives.

---"Union interest in engineering techniques." *Harvard Business Review*, Spring, 1946. pp. 356-365.

Discusses the "exclusive" approach of management to industrial engineering methods. Advocates the replacement of the exclusive approach by the "equity" approach in which the union would have an equal voice in determining the judgment factor inherent in these methods.

Kennedy, Van Dusen. *Union policy and incentive wage methods*. New York. Columbia University Press. 1945. 260 pp.

A study of the attitudes, policies, and practices of organized labor with respect to incentive wage payments. Based on field research, the study provides a comprehensive analysis of the subject and concludes that workers exhibit less dissatisfaction with incentive wage methods when the local unions possess substantial rights of negotiation and participation.

Leonard, Richard T. "A labor leader looks at management's effort to lift output." *The human aspects of methods improvement*. Production Series No. 170. New York. American Management Association. 1947. pp. 44-50.

General discussion of wage policies and productivity summarizing the UAW's position opposing incentive plans.

Slichter, Sumner H. *Union policies and industrial management*. Washington. Brookings Institution. 1941. 597 pp. Chapter X, "Union attitudes toward basic systems of wage payment," pp. 282-310; Chapter XI, "Problems and policies created by piecework," pp. 311-354.

Basic reading for an understanding of the evolution of union policies.

Smyth, Richard C. "The union and the wage incentive plan." *Management Review*, April, 1951. pp. 206-209.

Discussion by a representative of management of methods for guaranteeing union cooperation in the operation of a wage incentive plan. Suggests the use of a union steward specially trained in time-study procedures so that grievances over standards can be settled objectively.

Stelle, Hoyt P. "Company-union establishment of job evaluation and incentives." *Gearing foremen and workers to production efficiency*. Production Series No. 185. New York. American Management Association. 1949. pp. 18-23.

Describes the successful remodeling of a wage incentive plan at Benjamin Electric, Des Plaines, Illinois. Establishment of new standards was subject to approval of a joint union-management committee. The new plan resulted in a 60 per cent increase in the company's productivity.

United Electrical, Radio, and Machine Workers of America. *UE guide to wage payment plans, time study, and job evaluation*. Second edition. New York. 1943. 128 pp.

A handbook explaining various techniques to determine wages. Suggests a number of safeguards that must be provided the local union before these techniques can be acceptable.

United States Department of Labor, Bureau of Labor Statistics. Bulletin No. 908-3. *Collective bargaining provisions: incentive wage provisions, time studies and standards of production*. Washington. Government Printing Office. 1948. 68 pp.

Very comprehensive survey of the treatment of wage incentives under collective bargaining agreements. Excerpts from agreements are used throughout.

Waite, William W. "Problems in the arbitration of wage incentives." *Arbitration today*; proceedings of the 8th annual meeting of the National Academy of Arbitrators, Boston, January 27-28, 1955. Washington. Bureau of National Affairs, Inc. 1955. pp. 25-34.

Discusses wage incentive arbitration from the viewpoint of contract interpretation and the handling of factual material under the contract. This paper is followed by brief additional discussions by John W. Seybold and S. Herbert Unterberger.

Woytinsky, W. S., Morris C. Bishop, Thomas C. Fichandler, and Associates. Labor and management look at collective bargaining. New York. Twentieth Century Fund. 1949. 285 pp. Chapter IX. "Incentive wage systems." pp. 158-171.

Contains statistical data on attitudes of union leaders toward incentive wage systems. Their reaction was preponderantly negative.

Yulke, Samuel G. "Incentive and work standard grievances." *Production policies for increased output*. Production Series No. 169. New York. American Management Association. 1947. pp. 27-36.

Discusses the common sources of grievances arising out of work standards and wage incentives.

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- American Management Association, Inc., 1515 Broadway, New York 36, New York.
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B. Periodicals

- Advanced Management*, 74 Fifth Avenue, New York 11, New York.
- American Economic Review*, 450 Ahnaip Street, Menasha, Wisconsin.
- American Machinist*, 330 West 42nd Street, New York 36, New York.

Bulletin of Industrial Psychology and Personnel Practice, Department of Labour and National Service, 125 Swanston Street, Melbourne C.1., Australia.

Conference Board Management Record, 460 Park Avenue, New York 22, New York.

Factory Management and Maintenance, 330 West 42nd Street, New York 36, New York.

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International Labour Review, 1262 New Hampshire Avenue, N. W., Washington 6, D. C.

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Occupational Psychology, 14 Welbeck Street, London W. 1, England.

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Pacific Northwest Business, Bureau of Business Research, College of Business Administration, University of Washington, Seattle 5, Washington.

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Time and Motion Study, 4 Ludgate Circus, London E.C. 4, England.

Wage and Hour Reporter, Bureau of National Affairs, Inc., 1231 24th Street, N. W., Washington 7, D. C.



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